

Amendment No. 3 to HB1920

**Sargent
Signature of Sponsor**

AMEND Senate Bill No. 1869*

House Bill No. 1920

by inserting the following new section immediately preceding the severability clause section and renumbering the subsequent sections accordingly:

SECTION __. Tennessee Code Annotated, Title 8, Chapter 35, Part 2, is amended by adding the following as a new, appropriately designated section:

(a) Any member who is employed by a political subdivision that is a participating employer in the retirement system shall be eligible to establish retirement credit for time during which the member was employed by a joint venture between that political subdivision and one (1) or more other political subdivisions if the following conditions are met:

(1) The joint venture was a governmental entity for purposes of Section 414(d) of the Internal Revenue Code (26 U.S.C. § 414(d)), as amended, and any other federal laws and regulations applicable to qualified governmental pension plans during the time the member was employed by the joint venture;

(2) The joint venture was dissolved and its operations were transferred to and made a department of the participating political subdivision;

(3) The member has not established the credit in any other retirement program as provided in § 8-35-111;

(4) The participating political subdivision authorizes and pays for the cost of an actuarial study to determine the liability associated with the granting of the service credit and, following review of the cost of granting the service credit, the chief governing body of the political subdivision shall pass a resolution authorizing such service credit and accepting the liability therefor; and

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(5) Members establishing the prior service must make a lump sum payment equal to the employee contributions the members would have made had the members been members of the retirement system during the period claimed, plus interest at the rate provided in § 8-37-214. The political subdivision may, at its option, pay all or part of the employee contributions and interest on behalf of the members.

(b) The retirement system shall not be liable for the payment of retirement allowances or other payments on account of such members or their beneficiaries for which reserves have not been previously created from funds contributed by the political subdivision, its employees, or both.

(c) It is the legislative intent that the state shall realize no increased cost as a result of this section. All costs associated with retirement coverage, including administrative costs, shall be the responsibility of the political subdivision.